

1 BEFORE THE
2 ILLINOIS COMMERCE COMMISSION

3
4 BENCH SESSION
5 (PUBLIC UTILITY)

6
7
8 Springfield, Illinois
9 Wednesday, March 24, 2010

10 Met, pursuant to notice, at 10:30 a.m. in
11 Hearing Room A, First Floor, Leland Building, 527
12 East Capitol Avenue, Springfield, Illinois.

13
14 PRESENT:

15 MR. MANUEL FLORES, Acting Chairman

16 MS. LULA M. FORD, Commissioner

17 MS. ERIN M. O'CONNELL-DIAZ, Commissioner

18 MR. SHERMAN J. ELLIOTT, Commissioner

19 MR. JOHN COLGAN, Acting Commissioner

20
21 SULLIVAN REPORTING COMPANY, by
22 Carla J. Boehl, Reporter
 CSR #084-002710

1 other procedural rules, we are unable to respond. If
2 you have any questions or concerns, please follow up
3 with the Commission's Consumer Services Division.
4 For policy matters or questions you may also contact
5 Peggy Snyder from the Commission's Office of
6 Governmental Affairs.

7 First we have Representative Elaine
8 Nekritz who represents the 57th District.

9 Representative Nekritz. Good morning,
10 Representative.

11 REPRESENTATIVE NEKRITZ: Just have a seat?

12 CHAIRMAN FLORES: Yes.

13 REPRESENTATIVE NEKRITZ: Thank you, Chairman
14 Flores and the members of the ICC.

15 I represent parts of Chicago's north
16 and northwest suburbs and I appreciate the
17 opportunity to be here today to give voice to
18 thousands, literally thousands, of constituents in
19 Des Plaines, Mt. Prospect and Prospect Heights, the
20 communities I represent, who would be forced to pay
21 more under the rate increase sought that's pending
22 before you now from Illinois-American Water.

1 I know you have already heard from
2 many of these folks. They appeared at the hearing in
3 Mt. Prospect that you had. They have submitted
4 written testimony and e-mails, and some of them even
5 took time out of their work schedule to participate
6 in the formal hearings. That's how strongly they
7 feel about it.

8 And I believe that these customers of
9 Illinois-American are justifiably angry. In Mt.
10 Prospect, Prospect Heights and Des Plaines those
11 customers already pay double or triple or more what
12 their neighbors do who receive municipal water. The
13 rate increase being sought by Illinois-American Water
14 will exacerbate that discrepancy.

15 According to some Mt. Prospect Village
16 officials, with the requested rate increase
17 Illinois-American Water customers will pay nearly 50
18 percent more for base water supply than they even
19 currently pay, and that's before supply charges and
20 the fire protection charges they are also looking to
21 be increased.

22 An example, an Illinois-American Water

1 customer in Mt. Prospect using 10,000 gallons per
2 month would currently pay 9.75 plus 37.10 for their
3 base water usage for a total of 46.85. Under the
4 proposed rate that would jump to \$67.48, about a 50
5 percent increase. Again, this is multiples of what
6 their neighbors do who receive municipal water in Mt.
7 Prospect.

8 The situation might be more tolerable
9 if the service and delivery were exceptional, but it
10 is not. At meeting after meeting I hear complaints
11 from constituents about poor infrastructure
12 maintenance, lack of responsiveness to calls for
13 repairs, whether it is a leaky fire hydrant or a
14 broken water main, and an inability to get questions
15 answered regarding billing.

16 I would just like to spend another
17 second on one other component of the rate increase
18 request, the management fees. This is a service
19 company that Illinois-American Water utilizes to
20 collect a fee and then use that company to provide
21 the services. And it appears to me that it is just
22 another way of boosting their revenue without

1 providing any additional service. This fee for their
2 service company has increased over 22 percent in just
3 two years and this is at a time when we are in a
4 recession. Other private companies are reducing head
5 count and cutting back on administrative expenses.
6 IAW has chosen simply to ask for more from the
7 ratepayers.

8 In the summer of 2008 I joined with
9 hundreds of my constituents in opposing a rate
10 increase being sought by Illinois-American Water. It
11 is really unimaginable to me that less than 24 months
12 later I am back doing it again, fighting the same
13 exact battle. And I don't think that this will be
14 the end of it. As soon as they get an end to this
15 one, they will be back for more. I am asking you to
16 put a stop to it.

17 Thank you.

18 CHAIRMAN FLORES: Thank you, Representative.

19 Next we have Representative Sandra
20 Pihos who represents the 42nd District.

21 Representative Pihos, good morning.

22 REPRESENTATIVE PIHOS: Good morning, Chairman

1 Flores and members of the Commission. I do represent
2 the 42nd District which is in Dupage County.

3 Illinois-American Water Company, as we
4 know, is the state's largest privately-owned water
5 utility. It is seeking a proposed \$44,702,000 rate
6 increase. The average rate increase in my district
7 then would be 28.08 percent. Many of my constituents
8 have their water needs provided by the communities,
9 but Illinois-American customers are being held
10 hostage by a private investor-owned utility which is
11 charging them double or more over what municipal
12 customers pay.

13 My people are outraged by the request.
14 I have heard from many of them by e-mail, phone calls
15 and letters, and as you know more than 609 citizens
16 across the state have made public comments online.
17 Combine that with the letters, the phone calls and
18 the large attendance at the five open meetings that
19 were held by the ICC, 175 which were residents from
20 my district who attended.

21 Peoples Gas has one million plus
22 customers in the state. And when they filed for a

1 rate increase, only 210 people filed concerns and
2 complaints. Illinois-American Water serves just
3 317,000 customers by comparison, and the complaints
4 filed in this case were about 450 percent higher.
5 The customers in my area know the difference between
6 a company which is covering its costs and those which
7 are lining their pockets.

8 What has changed, that's what I need
9 to know, in the provision of water which would
10 necessitate such an astronomical increase. Why 44.2
11 percent in 2003, 5.28 percent in 2008 and now just
12 less than two years later 24.62 percent, with the
13 provision for up to a five percent surcharge into the
14 future without the ICC's approval? Does anyone know
15 that we are in a recession? People are out of work;
16 they are struggling for survival; and we are going to
17 tell them that the state, a company in this state,
18 cannot even offer them water at a reasonable rate.

19 My public finds the increase very
20 high, very unreasonable. I have heard the people's
21 anger and it is my commitment to make sure that the
22 Commission understands. In my area Illinois-American

1 Water Company doesn't even provide the water, just
2 the pipes that the water flows through. They know
3 what their neighbors are paying. Within a mile of my
4 own home they are paying double for the same service
5 that I receive. These customers are getting slammed
6 with no relief in sight.

7 The best part is for those who care
8 about the environment and they attempt to preserve
9 the water for the future, the fixed charges are so
10 high, because they are front loaded, that they are
11 actually penalized. They are paying as much as \$70
12 every month and that's before they even turn their
13 water on. Someone needs to please explain the
14 inherent unfairness in that to me.

15 According to the ICC's own mission
16 statement, you are obligated to pursue an appropriate
17 balance between the interests of customers and
18 existing and emergent service providers to insure the
19 provision of adequate, efficient, reliable, safe and
20 least-cost public utility services.

21 Fresh clean water, as we all know, is
22 an essential commodity to human survival. The reason

1 we have agencies like the ICC is to protect the
2 people's rights to these basic necessities. Your
3 mission is not to approve rate increases, but it is
4 to look carefully at the associated costs and reject
5 rate increases when they are unjustified.

6 We don't want to be known as the state
7 that allows everything. We want, as we tell our
8 children, to just say no. Here we are asking you to
9 say no to this astronomical increase that this
10 company is asking for, and maybe they will look for
11 some efficiencies and be more careful next time
12 before they assume that in Illinois anything goes.

13 I am just looking at the layers of
14 their management. How many layers does one company
15 need to run their operations efficiently?

16 I know that your commitment is to
17 protect the residents of Illinois. You are the
18 appointed public officials and I appeal to your sense
19 of right and wrong for all the people of Illinois to
20 resolve this issue in the very best interests of
21 these people.

22 Thank you.

1 CHAIRMAN FLORES: Thank you, Representative.

2 Next we have Representative Renee

3 Kosel representing the 81st District.

4 Representative Kosel.

5 REPRESENTATIVE KOSEL: Thank you, Chairman,

6 Commissioners. I appreciate the fact that you have

7 comments and I appreciate the ability to bring the

8 voice of my constituents to you. I represent both

9 Will and Cook County and the constituency in both of
10 those counties have Illinois-American Water.

11 Under Public Act Chapter 111.2/3,

12 paragraph 8-1 states the duties of a public utility

13 includes that all rules and regulations made by a

14 public utility affecting or pertaining to charges and

15 services to the public shall be just and reasonable.

16 I have printed out over 609 complaints

17 that were filed, and in reading those complaints I

18 have yet to find one that says that this is anywhere

19 near just or reasonable. There were 59 different

20 towns from across the state, so it wasn't just in the

21 Chicago area, it was across the state. Although the

22 representatives that are here just represent the

1 Chicago area, there is Alton, there is Champaign,
2 Urbana. All the different towns are represented
3 within those comments and no one believes that it is
4 just and reasonable.

5 I also have carried the voices of over
6 300 people that attended the Commerce Commission
7 hearing in my office or, excuse me, in my district,
8 and you will see in some of the news clippings that I
9 have provided you the anger in the faces of those
10 people when they talk about this. They do not feel
11 that this is either just or reasonable.

12 Quoting Illinois-American's own
13 website, some of my constituents will have increases
14 of 58 percent under this proposal. So the proposal
15 is not across the board. This is neither just nor
16 reasonable. Under the proposal Homer Glen, smallest
17 users, will pay \$42.60 for 2,000 gallons of gold.
18 Across the street in Orland Park, they will pay
19 \$9.82. And down the road in a town that is probably
20 more apt because they have a new pipeline coming in
21 and new facilities, they will pay a whopping \$17.12
22 for the same 2,000 gallons of water. This is not

1 just or reasonable.

2 The Company wants to recover \$2.3
3 million in rate expenses. Illinois-American Water
4 itself says that these are fees that they have paid
5 to answer the rate complaints of consumers. Is it
6 fair that the rate complainers should pay for their
7 complaints as well? It doesn't sound just or
8 reasonable to me.

9 The Company says that they should pay
10 increases between 19 and 59 percent in a flat
11 economy. That doesn't sound just and reasonable.
12 The typical water user in Homer Glen, the typical
13 small water user, will go from \$85 a month to 130,
14 and there are very few people that I know that see
15 even \$130 now, so I don't want to think what it is
16 going to be. Not just and reasonable.

17 Illinois-American Water just received
18 a true-up that raised the rates 20 percent in the
19 water. Then there was an approval just this week of
20 the QIP of five percent a year going on. And now
21 they want on some of my consumers a 58 percent
22 increase. This is not just or reasonable.

1 I am disappointed that
2 Illinois-American Water has come to you again for
3 another increase. I am disappointed that I have to
4 appear here to make sure that the voices are heard.
5 I want to make sure that my constituents receive
6 "just and reasonable" addressing of this issue.
7 Enough is enough. Please listen to the law. Make
8 this just and reasonable.

9 Thank you.

10 CHAIRMAN FLORES: Thank you, Representative.

11 Those are all the speakers that we
12 have.

13 COMMISSIONER FORD: Nice seeing you again,
14 Representative Nekritz.

15 CHAIRMAN FLORES: Wanted to thank all the
16 representatives for taking time out of their busy
17 schedules to appear before the Commission. Thank
18 you.

19 Moving on to the Public Utility
20 agenda, there are minutes to approve from the
21 February 24, 2010, pre-bench session. I understand
22 that amendments have been forwarded. Is there a

1 motion to amend the minutes?

2 COMMISSIONER ELLIOTT: So moved.

3 CHAIRMAN FLORES: Is there a second?

4 COMMISSIONER COLGAN: Second.

5 CHAIRMAN FLORES: It's been moved and seconded.

6 All in favor say aye.

7 COMMISSIONERS: Aye.

8 CHAIRMAN FLORES: Any opposed?

9 The vote is 5-0 approving the minutes

10 as amended.

11 We will begin with the Electric

12 agenda. Item E-1 (08-0044) involves a ComEd petition

13 to determine the applicability of Section 16-125e

14 liability to events caused by the December 23, 2007,

15 storm. Administrative Law Judge Dolan recommends

16 entering the Order dismissing the matter without

17 prejudice. Is there a motion to enter the Order?

18 COMMISSIONER ELLIOTT: So moved.

19 CHAIRMAN FLORES: Is there a second?

20 COMMISSIONER FORD: Second.

21 CHAIRMAN FLORES: It's been moved and seconded.

22 All in favor say aye.

1 COMMISSIONERS: Aye.

2 CHAIRMAN FLORES: Any opposed?

3 Hearing none, the vote is 5-0. The

4 Order is entered.

5 We will use this 5-0 vote for the

6 remainder of the agenda unless otherwise noted.

7 Item E-2, Docket Number 08-0264, will

8 be held.

9 Item E-3, Docket Number 08-0532, will

10 be held.

11 Items E-4 through E-6 (09-0109,

12 09-0110, 09-0112) will be taken together. These

13 items concern the reconciliation of revenues under

14 coal tar riders by Ameren affiliates. Staff

15 recommends approving the proposed reconciliation

16 Orders.

17 Is there any discussion? Any

18 objections? Hearing none, the Orders are entered.

19 Item E-7 is a request for oral

20 argument in Docket Numbers 09-0306 through 09-0311.

21 This case concerns Ameren affiliates' proposed

22 general increase in electric delivery service and gas

1 delivery service rates. The Commission is prepared
2 to schedule oral argument for April 13 in
3 Springfield. We do have a tentative time of 1:30
4 p.m. If for one reason or another that time does not
5 work, we will inform Judge Wallace and the
6 appropriate notice will be made. But we do have
7 April 13 as the date.

8 Is there any discussion? Any
9 objections? Hearing none, oral argument is scheduled
10 for April 13 in Springfield at 1:30 p.m.

11 Item E-8 (09-0320) is a joint motion
12 to dismiss brought by the Village of Burr Ridge and
13 Commonwealth Edison Company. Administrative Law
14 Judge Kimbrel recommends that the docket be dismissed
15 without prejudice.

16 Is there any discussion? Any
17 objections? Hearing none, the motion is granted and
18 the docket is dismissed.

19 Item E-9 through E-10 (09-0577,
20 09-0598) will be taken together. These concern the
21 applications for licensure of agents, brokers and
22 consultants under Section 16-115C of the Public

1 Utilities Act.

2 JUDGE WALLACE: Mr. Chairman, just to bring it
3 to your attention, there were two requests for oral
4 argument, one from Ameren and a second one from the
5 Attorney General. Did you want to delineate that you
6 were granting both?

7 CHAIRMAN FLORES: That's fine. If we can just
8 go back to --

9 JUDGE WALLACE: E-7.

10 CHAIRMAN FLORES: Let the record reflect that
11 Ameren affiliates and the Attorney General's office
12 have requested oral argument. So that the record is
13 clear, oral argument is granted per the requests made
14 by both petitioners.

15 COMMISSIONER O'CONNELL-DIAZ: Chairman Flores,
16 may I inquire with regard to the AG request, was it
17 timely filed?

18 JUDGE ALBERS: This is ALJ Albers. It was
19 received after the statutory provision that would
20 require the Commission to hear oral arguments, but it
21 is certainly within the Commission's discretion, I
22 believe, if they wanted to hear oral argument on

1 those issues, to grant the petition.

2 COMMISSIONER O'CONNELL-DIAZ: Just so I
3 understand, the Attorney General did not file within
4 the statutory deadline for oral argument, is that
5 what you are telling me?

6 JUDGE ALBERS: Yes.

7 JUDGE WALLACE: It would be for the mandatory,
8 statutorily required oral argument that the Attorney
9 General would have missed that deadline. So what it
10 turns into is it reverts back, we think, to our
11 current rules which would be discretionary with the
12 Commission to grant oral argument or not.

13 COMMISSIONER O'CONNELL-DIAZ: Thank you.

14 CHAIRMAN FLORES: Thank you, Commissioner
15 O'Connell-Diaz. Any other questions or further
16 discussion on this matter?

17 I would just like to, again, just so
18 the record is clear, given that there were two
19 petitioners who have requested we move forward on
20 this request for oral argument, so that the record is
21 clear, are there any objections to this request for
22 oral argument? Hearing none, oral argument is

1 scheduled for April 13 in Springfield at 1:30 p.m. on
2 motions made by both -- requests made both by Ameren
3 affiliates and the Attorney General's office.

4 Going back to where we left off, this
5 would be item E-9 through E-10 taken together. These
6 concern the applications for licensure of agents and
7 brokers and consultants under Section 16-115C of the
8 Public Utilities Act. In each docket the
9 Administrative Law Judge recommends approving the
10 Order granting the requested Certificate for Service
11 Authority.

12 Is there any discussion? Any
13 objections? Hearing none, the Orders are entered.

14 Item E-11 (09-0609) involves a
15 customer billing complaint against ComEd. The
16 parties have filed a joint motion to dismiss this
17 docket and Administrative Law Judge Sainsot
18 recommends dismissal with prejudice.

19 Is there any discussion? Any
20 objections? Hearing none, the matter is dismissed.

21 E-12 through E-13 (09-0613, 09-0615)
22 will be taken together. These items concern the

1 applications for licensure of agents, brokers and
2 consultants under Section 16-115C of the Public
3 Utilities Act. In each docket the Administrative Law
4 Judge recommends approving the Order granting the
5 requested Certificate of Service Authority.

6 Is there any discussion? Any
7 objections? Hearing none, the Orders are granted.

8 Item E-14 (09-0620) involves a
9 petition for relief by Champion Energy to protect
10 confidential and/or proprietary information. The
11 Administrative Law Judge recommends entering an Order
12 approving the petition.

13 Is there any discussion? Any
14 objections? Hearing none, the Order is entered and
15 the petition is approved.

16 COMMISSIONER O'CONNELL-DIAZ: Mr. Chairman, if
17 I might just point out that, unlike what has become
18 our practice, it appears in this proceeding that the
19 Applicant has responded to the ALJ's request for
20 explanation for the five-year treatment that is
21 requested and has shown that there is certain
22 financial information that bears confidential

1 treatment for the longer period of time. And I would
2 like to thank Judge Albers for making that inquiry
3 and for making it clear for the record.

4 CHAIRMAN FLORES: Thank you, Commissioner. Any
5 further discussion?

6 Items E-15 through E-17 (09-0622,
7 10-0001, 10-0010) will be taken together. These
8 items concern the application for licensure of
9 agents, brokers and consultants under Section 16-115C
10 of the Public Utilities Act. In each docket the
11 Administrative Law Judge recommends approving the
12 Order granting the requested Certificate of Service
13 Authority.

14 Is there any discussion? Any
15 objections? Hearing none, the Orders are entered.

16 Items E-18 through E-23 (10-0064,
17 10-0065, 10-0071, 10-0077, 10-0089, 10-0124) will be
18 taken together. These items each involve petitions
19 for relief to protect confidential and/or proprietary
20 information. In each instance the Administrative Law
21 Judge recommends entering an Order approving the
22 petition.

1 Is there any discussion? Any
2 objections? Hearing none, the Orders are entered and
3 the petitions are approved.

4 E-24 through E-26 (10-0141, 10-0142,
5 10-0143) will be taken together. These items concern
6 petitions surrounding Commonwealth Edison Company's
7 authority to enter into financial transactions with
8 affiliated interests. In each item the
9 Administrative Law Judges recommend that the
10 Commission enter an Order approving the petition.

11 Is there any discussion? Any
12 objections? Hearing none, the Orders are entered and
13 the petitions are approved.

14 Item E-27 (10-0147) involves a
15 petition for relief to protect confidential and/or
16 proprietary information by Champion Energy as well as
17 a motion to appear pro hoc vice. Administrative Law
18 Judge Albers recommends entering an Order granting
19 the petition.

20 Is there any discussion? Any
21 objections? Hearing none, the Order is entered.

22 E-28 (10-0166) concerns a petition for

1 relief to protect Spark Energy's annual kilowatt hour
2 report from disclosure. Administrative Law Judge
3 Tapia recommends entering an Order granting the
4 requested relief.

5 Is there any discussion? Any
6 objections? Hearing none, the Order is entered.

7 That concludes the Electric portion of
8 today's agenda.

9 Turning to Natural Gas, Item G-1
10 (09-0191) concerns a petition by Atmos Gas Company to
11 protect confidential information. Administrative Law
12 Judge Wallace recommends entering an Order granting
13 the requested relief.

14 Is there any discussion? Any
15 objections? Hearing none, the Order is entered.

16 G-2 (09-0193) involves a billing
17 complaint by Paula Johnson against AmerenIP.
18 Administrative Law Judge Tapia recommends the
19 Commission enter an Order granting AmerenIP's motion
20 to dismiss with prejudice for want of prosecution.

21 Is there any discussion? Any
22 objections? Hearing none, the Order is entered and

1 the motion to dismiss is granted.

2 Item G-3 is Docket 09-0312,
3 MidAmerican Company's proposed general increase in
4 natural gas rates. Administrative Law Judge Gilbert
5 recommends that the Commission enter an Order
6 approving new tariffs and rates for MidAmerican
7 Energy Company.

8 Is there any discussion on this matter
9 by any members of the Commission? Okay. Any
10 objections? Hearing none, the Order is entered.

11 G-4 and G-5 (09-0390, 09-0569) will be
12 taken together. These items are motions to dismiss
13 customer complaints against Peoples Gas. The parties
14 have settled and the Administrative Law Judges
15 recommend dismissal with prejudice.

16 Is there any discussion? Any
17 objections? Hearing none, the dockets are dismissed.

18 G-6 through G-9 (10-0076, 10-0078,
19 10-0128, 10-0165) will be taken together. These
20 items involve petitions for relief to protect
21 confidential and/or proprietary information. In each
22 instance the Administrative Law Judge recommends

1 entering an Order approving protection for at least
2 two years time.

3 Is there any discussion? Any
4 objections? Hearing none, the Administrative Law
5 Judges' Orders granting relief are entered.

6 That concludes the Natural Gas portion
7 of today's agenda.

8 Starting with the Telecommunications
9 agenda, Item T-1 (TRM#53, TRM#54) concerns filings to
10 remove the termination liability section from
11 Illinois Bell's business local calling assurance
12 product. Staff recommends not suspending or
13 investigating the filings.

14 Is there any discussion? Any
15 objections? Hearing none, the filings will not be
16 suspended or investigated.

17 Item T-2 (TRM#63) involves Gallatin
18 River Communications, LLC, d/b/a CenturyLink adding
19 the option of a priority restoration service called
20 Telecommunications Service Priority System. Staff
21 recommends not suspending or investigating the
22 filings.

1 Is there any discussion? Any
2 objections? Hearing none, the filings will not be
3 suspended or investigated.

4 Items T-3 through T-5 (10-0029,
5 10-0040, 10-0099) involve applications for
6 Certificates of Authority to operate as resellers
7 throughout Illinois. In each instance the
8 Administrative Law Judge recommends entering an Order
9 granting the requested applications.

10 Is there any discussion? Any
11 objections? Hearing none, the Orders are entered.

12 Item T-6 (10-0052) involves a customer
13 complaint against Illinois Bell. The parties have
14 settled and the Administrative Law Judge recommends
15 dismissing the case with prejudice.

16 Is there any discussion? Any
17 objections? Hearing none, the matter is dismissed.

18 Item T-7 (09-0381) concerns entering a
19 First Notice Order surrounding the revision of 83
20 Illinois Administrative Code 730. Administrative Law
21 Judge Hilliard recommends entering the Interim Order.

22 Is there any discussion? Any

1 objections? Hearing none, the Order is entered.

2 Item T-8 (09-0511) involves a petition
3 to initiate rulemaking under Illinois Administrative
4 Code Part 200 concerning interlocutory review. Both
5 the petition and the proposed rule changes are the
6 product of negotiations among many parties, including
7 Staff of the Commission, the utilities, consumer
8 advocates and various other stakeholders.
9 Administrative Law Judge Dolan recommends entering
10 the First Notice Order.

11 Is there any discussion? Any
12 objections? Hearing none, the Order is entered.

13 T-9 (09-0605) involves YourTel
14 America's application for designation as an eligible
15 telecommunication carrier for the purpose of
16 receiving Federal Universal Service support.
17 Administrative Law Judge Riley recommends entering an
18 Order granting the application.

19 Is there any discussion? Any
20 objections? Hearing none, the Order is entered.

21 Items T-10 through T-13 (10-0003,
22 10-0122, 10-0145, 10-0170) will be taken together.

1 These items each involve petitions for relief to
2 protect confidential and/or proprietary information.
3 In each instance the Administrative Law Judge
4 recommends entering an Order approving the petition.

5 Is there any discussion? Any
6 objections? Hearing none, the Orders are entered and
7 the petitions are approved.

8 Items T-14 through T-19 (10-0060,
9 10-0061, 10-0062, 10-0063, 10-0082, 10-0083) will be
10 taken together. These items each involve joint
11 petitions for approval of interconnection agreements
12 involving Mediacom Telephony of Illinois. In each
13 instance Administrative Law Judge Riley recommends
14 granting the Order approving the agreement.

15 Is there any discussion? Any
16 objections? Hearing none, the Orders are entered.

17 This concludes the Telecommunications
18 portion of the agenda.

19 We have one item on the Water and
20 Sewer portion of the agenda which is Docket Number
21 09-0319, Illinois-American Water rate case. Oral
22 argument was heard on this matter yesterday and this

1 matter will be held for disposition at a future
2 hearing.

3 Miscellaneous, (10-0223) our first
4 miscellaneous item is a resolution that declares
5 April 2010 as National Safe Digging Month. I want to
6 recognize Commissioner O'Connell-Diaz who brought
7 this matter forward. Commissioner, would you like to
8 say anything on the record concerning this
9 resolution?

10 COMMISSIONER O'CONNELL-DIAZ: Yes, Chairman.
11 Just it is a good thing for all of us to remember as
12 we are moving into the construction phase of our yard
13 work and everything, with regard to our
14 responsibilities and contractor's responsibilities.
15 Because what you do in your own yard or what you have
16 a contractor doing really will affect other people in
17 your area if you have not done the appropriate
18 calling to find out where those lines are buried.

19 So for the health and safety of not
20 just your family but all in communities, it is really
21 an important thing for us to remember as the weather
22 warms up, and so I think that this resolution gives

1 us the appropriate reminder, and I am glad that the
2 Commission is supportive of it.

3 Thank you.

4 CHAIRMAN FLORES: Thank you, Commissioner. I
5 also want to recognize Commissioner Ford. She
6 obviously heads our committee on gas and is
7 nationally recognized as an expert in this area.
8 Commissioner, would you like to say a few remarks,
9 given the importance of this resolution?

10 COMMISSIONER FORD: I would just simply like to
11 reiterate what Commissioner O'Connell-Diaz said, and
12 we are going to -- Tim did send a letter out and we
13 will be meeting with the City of Chicago to reinforce
14 some of the things that we want done with the
15 Pipeline Safety Committee. And I would like to
16 thank -- I don't see him here -- Darin Burk, for
17 always insisting that people call before they try to
18 do things. And I see Marcy here with our 9-1-1 and
19 8-1-1. I think I see Marcy.

20 But, anyway, I certainly thank you and
21 I thank Commissioner O'Connell-Diaz for bringing it
22 to our level on staff.

1 CHAIRMAN FLORES: Any further discussions by
2 other members of the Commission? Very well. Any
3 objections? Hearing none, the resolution is
4 approved.

5 Our second miscellaneous item is a
6 request for oral argument in Docket Number 09-0268.
7 This docket concerns a corporate reorganization
8 involving joint applicants Frontier Communications
9 Corporation, Verizon Communication Incorporated,
10 Verizon North Incorporated, Verizon South
11 Incorporated and New Communications of the Carolinas
12 Incorporated. Joint applicants have requested oral
13 argument in this case. However, Administrative Law
14 Judge Tapia indicates her belief that oral argument
15 will not be useful in this case and believes the
16 issues have been thoroughly briefed by all the
17 parties.

18 Is there any discussion on this
19 matter? Any objections? Hearing none, the request
20 for oral argument is denied.

21 Judge Wallace, are there any other
22 matters to come before the Commission today?

1 JUDGE WALLACE: No, Mr. Chairman.

2 CHAIRMAN FLORES: Very well. I know that we
3 have had some changes, some new additions, to the
4 Staff. I just wanted to acknowledge the new Staff
5 members that have joined, various members of the
6 Commission, and also just wanted to thank all Staff
7 and everyone else in preparation for today's hearing.

8 Again, Commissioner O'Connell-Diaz,
9 our deep condolences to you and your family.

10 COMMISSIONER O'CONNELL-DIAZ: Thank you,
11 Chairman.

12 CHAIRMAN FLORES: At this point the meeting
13 stands adjourned. I would just like to remind
14 everyone that we will take a 15-minute break and we
15 will then be moving on to the video conference room
16 for an administrative meeting that has been scheduled
17 for today after the conclusion of this bench today.
18 So thank you.

19 (Whereupon the meeting was
20 adjourned until 11:20 a.m.
21 in the videoconference
22 room.)

1 ADMINISTRATIVE MEETING

2 CHAIRMAN FLORES: Just so that the record is
3 clear, we are now convening the administrative
4 meeting that was scheduled for today, March 24,
5 following the bench.

6 There are two matters that we wanted
7 to discuss here today, the first matter being a
8 discussion beginning a dialogue on process and
9 procedures surrounding a potential possible ICC
10 resolution addressing the readiness of Illinois
11 electric service providers to accommodate electric
12 vehicles.

13 The second matter was brought forth by
14 Judge Wallace and this was the scheduling of
15 procurement meetings.

16 Taking the first matter on the agenda,
17 as all of you know, Commissioners, there has been a
18 lot of discussion in Illinois and outside the state
19 of Illinois about electric vehicles, plug-in electric
20 vehicles, being developed and then being sent to
21 market sometime late, sometime this fall.

22 Given the potential impact that it is

1 going to have on the work that we do here, I just
2 thought that it would be a good idea to caucus and
3 start talking about some formal steps. This was
4 also, frankly, precipitated by discussions that I
5 believe are being had by other stakeholders in the
6 state of Illinois and I just wanted to bring this
7 matter to this collective body to flesh out what
8 would be the appropriate next steps and action items.

9 I want to yield to Commissioner
10 Sherman Elliott who has been doing a lot of work,
11 doing some work in this area, has been following some
12 national trends and then obviously to hear from the
13 other Commissioners in terms of their viewpoints on
14 this matter.

15 Commissioner Elliott?

16 COMMISSIONER ELLIOTT: One of the things that
17 first impacted me with regard to the urgency around
18 this issue was a presenter at the PJM, a
19 demand-response symposium some months ago, from
20 Indiana, Paul Mitchell, who has been working in this
21 area on a pilot project for PHEV implementation in
22 Indianapolis for two years. And he gave a

1 presentation of what they have been engaged in and
2 the work that they have been doing and some of the
3 problems of pulling all the parties together, the
4 utilities, the vehicle manufacturers, the charging
5 station folks, the software guys, everything that
6 needs to sort of work seamlessly to make the customer
7 adoption of an electric vehicle seamless, and
8 essentially not to kill the electric car again.

9 And so I started reaching out to see
10 what was going on, and it seemed that there were a
11 number of different independent collaboratives and
12 efforts going on, none of which were inter-related,
13 but that the NRDC and Becky Stanfield (sp) and her
14 group have been working with ComEd and the City, and
15 had drafted a resolution and they were looking to
16 either do something legislatively or present it to
17 the Commission.

18 And so once I was made aware of that,
19 I sort of circulated some things around and had some
20 discussions with them and certainly with ComEd in
21 particular with regard to, you know, actually
22 physically being able to implement these things once

1 they hit the market, and what the implications were.

2 And as I said, I think there are
3 companies that are out there that are contemplating
4 building charging stations for the public that have
5 no idea that the Commission has regulations and rules
6 with regard to sales of electricity, resale of
7 electricity, public safety issues.

8 So there are just a number of issues
9 that I think we need to start tracking on and
10 particularly urgently with regard to the early
11 adopters. And I am sure there are going to be some,
12 considering a \$7500 tax credit for up to 200,000
13 electric vehicle sales and with all the companies
14 taking, it seems, a major step in this area to
15 produce and get these to market.

16 So with Chicago being a key market,
17 all of the manufacturers are looking at that, it just
18 seems that we should make some efforts here to get
19 something going and the sooner, the better.

20 COMMISSIONER FORD: Well, I would certainly
21 like for it to come from the legislature because I
22 think in my opinion, I think we have so much on our

1 plate with this Smart Grid and with the AMI, that I
2 think that it would look like we are coming out with
3 another pilot.

4 And I went back to that letter, not
5 letter, but that editorial that you sent me on
6 Baltimore, so I don't want us to be out front and
7 then the prices go down on anything. I would rather
8 it come from the legislature. Because, remember when
9 we were at Harvard? All those cars out in
10 California, it doesn't seem to be doing anything. I
11 don't see a big impetus, other than from people who
12 are elitist with this kind of thing.

13 COMMISSIONER ELLIOTT: Actually, it has and
14 California has opened a proceeding on this identical
15 stuff.

16 COMMISSIONER FORD: But I was sitting next to
17 the president and that was forced from the
18 legislature. That's why --

19 COMMISSIONER ELLIOTT: Actually, it was forced
20 from his wife.

21 COMMISSIONER FORD: Peavey said, he said, "I am
22 on board," but because Peavey, who you know is the

1 chair, had kind of twisted his arm. I want us to be
2 cautious and let the legislators take the lead with
3 this. That's just my opinion. Because all these
4 representatives coming in here now, that's pressure,
5 subtle pressure. And if they take the lead on this,
6 then the mayor would make sure -- let the mayor's
7 legislative people take the lead on this piece. I
8 have no problem asking the mayor to do this.

9 COMMISSIONER ELLIOTT: I don't have any
10 problems pursuing that, and I am sure parties will.
11 But I think in the short run, I think trying to get
12 something in place to enable this -- someone is going
13 to buy a car. How the heck do they hook it up,
14 what's the relationship between the dealership and
15 the utility, what rate do they get put on, all these
16 things are going to come before us. And we are
17 either going to have a plan in the short run to deal
18 with this or we don't.

19 COMMISSIONER FORD: But wouldn't that be
20 incumbent upon them, Chairman?

21 COMMISSIONER ELLIOTT: No, possibly in the long
22 run. I think the relationship between the PHEVs and

1 the Smart Grid and all those types of things, there
2 are policies that you can deal with in the long term
3 and certainly that is something that we should be
4 looking at in cooperation with them.

5 But in the short run, I mean, in the
6 next five months, someone is going to buy an electric
7 vehicle. There is a Tesla dealership that has opened
8 up in Chicago. General Motors really wants to move
9 in the Chicago market. And it is an issue that we, I
10 think, have to have some regulatory enabling, some
11 tariffs, something, some means to allow this to
12 happen.

13 COMMISSIONER FORD: Then why would they buy
14 before -- that to me is putting the cart before the
15 horse.

16 COMMISSIONER COLGAN: That's part of the
17 problem.

18 COMMISSIONER O'CONNELL-DIAZ: If I might, I am
19 not sure what a resolution is going to do to
20 effectuate that, number one. Number two, I think the
21 Commission -- to Commissioner Ford's point, what I am
22 hearing Commissioner Elliott say is that there is

1 going to have to be changes in our tariffs, massive
2 amounts of changes. So I don't really know that the
3 resolution does anything to do that except put us out
4 in the front of the parade.

5 That being said, I think that -- and I
6 could be very wrong -- but I think that this issue is
7 being addressed in the Smart Grid collaborative and
8 so are we jumping into some area that is part of that
9 process? And to be honest with you, unless I had a
10 presentation by these respective companies as to what
11 their notions are, I really don't know enough to do
12 anything. And, again, I go back to I don't know what
13 a resolution does. A resolution to me doesn't
14 effectuate the change that I think we are going to
15 need to do to actually have the stations, the
16 hook-ups, how that's going to be billed, how the
17 infrastructure is in place to do that.

18 This kind of reminds me of, you know,
19 when we were getting the independent power producers
20 and everybody went out and they went out along the
21 road sides where there were transmission facilities,
22 and many of those places are out of business today.

1 So I just think that we should go cautiously and I do
2 think it is going to require a legislative change.
3 And, honestly, I just don't have enough baseline
4 information. Maybe that would be the place for us to
5 start, where we would invite companies to come and
6 make presentations to the Commissioners.

7 But as far as -- I would be
8 uncomfortable in getting into a resolution situation
9 at this juncture. And I do understand that there is
10 this time element but, you know, the companies that
11 are going to be bringing this to market should be
12 thinking about that and so should our legislature.

13 COMMISSIONER FORD: Maybe we can have
14 California -- are they ahead of the game, is that
15 what you are saying, Sherman?

16 COMMISSIONER ELLIOTT: Yeah, they are clearly
17 ahead of the game. And Michael Peavey, the impetus
18 behind that was his wife bought a Mini Cooper that
19 was electric and she was charging it and it took too
20 long to charge, it never got fully charged and
21 finally was dead on the street and they thought they
22 were charging it. So they opened up an

1 investigation. That's basically what it is.

2 COMMISSIONER O'CONNELL-DIAZ: Isn't his wife a
3 legislator, too?

4 COMMISSIONER ELLIOTT: Yes.

5 COMMISSIONER O'CONNELL-DIAZ: Yes, right.

6 COMMISSIONER ELLIOTT: But this is a Commission
7 opening. I could send around the scoping memo that
8 Michael Peavey wrote and these are the types of
9 things that I think are being contemplated by the
10 parties seeking to address this, particularly with
11 regard to the short term aspect. And what the
12 resolution I think is intended to accomplish, is to
13 start a workshop process for a very brief period of
14 time to try and work these issues with a tariff
15 filing by the utilities.

16 And so, you know, that's the -- and
17 some short term solution to dealing with home
18 charging and not necessarily the public charging
19 infrastructure but just a short term idea of how does
20 someone that wants to buy a car make it work.

21 COMMISSIONER FORD: What would they do? If you
22 were to buy a car, what would you do now? The

1 batteries I am told are not up to par.

2 COMMISSIONER ELLIOTT: They are being sold.

3 One in five cars in California is an electric vehicle
4 right now.

5 CHAIRMAN FLORES: That's -- and I am sorry to
6 cut in. Manuel Flores for the record. That's one of
7 the concerns that we had when we were in California
8 for the Harvard -- the Kennedy School program. What
9 I took from that presentation was that, you know,
10 there were some real concerns also by the utility
11 companies in understanding how these cars then were
12 going to effect some of the things that they are
13 doing.

14 And, you know, one thing that we ought
15 to consider to also Commissioner O'Connell-Diaz's
16 point is, you know, in crafting whatever it is that
17 we decide on is to -- I think the information for us
18 is very important, all right, in terms of not just
19 from the car manufacturers and what they need, but
20 also to hear from the utility companies in terms of
21 how they are going to be -- you know, what are the
22 needs that they are going to have, frankly, in terms

1 of being able to also provide the services that are
2 going to be required to meet the demand created by
3 the sale of these cars.

4 Commissioner Colgan, did you want to
5 say anything?

6 COMMISSIONER COLGAN: Well, I understand your
7 point, Chairman. You know, I read some of the memos
8 that were coming out of that collaborative in Chicago
9 with all the different parties, and it seemed like
10 they had a very entrepreneurial spirit about how they
11 were charging forward on this issue. And I think
12 they were pretty -- you know, the groups were pretty
13 ideologically aligned and I think they were really
14 hopeful that they were going to get something out of
15 that process.

16 But then you start to notice that part
17 of their idea is that like in parking lots they would
18 have battery charging stations where people would be
19 plugging their cars in. And that, I think we have to
20 be involved in that. I mean, it is like that's the
21 resale of electricity. And then, you know, to set
22 all that infrastructure up. So I understand that at

1 some point we are going to have to be involved in
2 this because, you know, we are going to have to be a
3 check off at some point down the line.

4 I am not clear what you think the
5 General Assembly would do on this. Can you explain a
6 little bit?

7 COMMISSIONER FORD: I think the General
8 Assembly, if you are going to do -- we are talking
9 about tariffs again. Isn't that raising costs? I
10 want them to take the lead and then we will have
11 somebody to point a finger at. That is the same way
12 with this Tenaska piece. They take the lead with
13 these big issues, in my opinion; then we will have
14 somebody to say, well, this came through the state
15 legislature, they are asking us to do that.

16 COMMISSIONER COLGAN: Are there legislators
17 involved in this issue?

18 COMMISSIONER FORD: Well, I think there should
19 be if we don't get involved.

20 CHAIRMAN FLORES: Well, I think, if I may, the
21 only way that this is going to work, though, the
22 right way is if you were to include very early on the

1 governor, you know, cities. The City of Chicago, for
2 instance, is involved in this program right now. And
3 one concern that I have and I am sure it is shared by
4 all of you is the City of Chicago is engaged in this
5 program but I don't think they have engaged the ICC
6 at all about what it is that they are -- well, maybe
7 Tim, but.

8 MR. ANDERSON: We are engaging. The City's
9 thing has been going on for a little while. ComEd
10 through Val Jensen (sp) clued us in. We have become
11 --

12 COMMISSIONER FORD: Who is the lead at the
13 City?

14 CHAIRMAN FLORES: It is the Commissioner of the
15 Department of Environment. But they have been
16 working on this now for some time.

17 COMMISSIONER FORD: Where would they plug their
18 cars in, Sherman?

19 COMMISSIONER ELLIOTT: Well, that's the
20 problem. I mean, the real issue here is I think a
21 lot of people have been concentrating on public
22 charging infrastructure and all the data that I have

1 seen say that 80 percent of these vehicles are going
2 to be charged at home. And the real issue from my
3 perspective is what is the rate? I mean, are we
4 going to have these folks on average flat rates
5 charging their car when they get home at 5:00 o'clock
6 in the afternoon? And we know that that doesn't
7 cause a problem today with five or ten. But when you
8 get to 100,000, then you have got significant
9 problems. And it doesn't --

10 The other thing is the distribution
11 infrastructure. When two or three of these things
12 cluster in the same neighborhood, which is what they
13 have been experiencing in California, everyone that
14 wants to drive a vehicle, an electric vehicle, tend
15 to live in generally the same areas. They are having
16 significant impacts on the distribution
17 infrastructure and the utilities aren't really aware
18 of it because they don't have the Smart Grid
19 infrastructure in place yet.

20 So the initial stages of this and how
21 it is done, particularly, you know, what rate, I
22 mean, ComEd has an RTP rate now and to the degree

1 that they are going to have to work with the
2 automobile dealer to put in any type of
3 infrastructure in the home, to deal with, you know,
4 what rate design they are on, those are things that I
5 think we need to be working on and working on now.
6 Because if we don't, there is just going to be no
7 connection between these things.

8 And people are going to buy them.
9 They are not going to wait for legislative response
10 here. You know, General Motors and everyone else,
11 Nissan, are putting these things out. There is a tax
12 credit. People are going to buy them; they are going
13 to show up; they are going to plug them in at home
14 and we are going to run into problems.

15 MR. ANDERSON: Some of what's happening, too,
16 is everything is being marketed without any kind of
17 --

18 COMMISSIONER FORD: Right.

19 MR. ANDERSON: I think there is some building
20 developers in the city who have made part of the
21 marketing for the building we have got charging
22 stations on every other floor for your electric cars.

1 CHAIRMAN FLORES: That's right.

2 MR. ANDERSON: Well, there is no way for that

3 to work. So people are going to buy --

4 COMMISSIONER FORD: I think it is going to be

5 misleading.

6 MR. ANDERSON: And people are going to have

7 expectations that won't be able to be met because

8 nobody is ready for --

9 COMMISSIONER ELLIOTT: Not only that but we

10 don't know what the building is doing, who is

11 charging that customer for that service, is it part

12 of the -- you know, what's the public safety issues

13 around that.

14 MR. ANDERSON: Does ComEd understand what they

15 have got? I mean, do they understand that -- I mean,

16 they probably have to know about it.

17 COMMISSIONER FORD: I am sure they have to be

18 licensed by the city to have a charging station.

19 MR. ANDERSON: But the station city is pushing

20 it.

21 CHAIRMAN FLORES: Again, from my experience

22 with the city and from your experience with the city,

1 sometimes we try our best to communicate with one
2 another but sometimes we are not on the same page.
3 And I think, you know, and then expanding that a
4 little bit, again, if we don't have other
5 stakeholders like the legislator, House of
6 Representatives, the Senate, Governor's office, other
7 municipalities, I mean, if you took a look at
8 Naperville, for instance, and what they are doing,
9 some of the exciting things that they are doing with
10 their Smart Grid technology, and I am sure they are
11 already looking at the plug-in electric vehicle and
12 how it is going to be interfacing with their system,
13 I think it behooves us to address this issue now, but
14 to do it to Commissioner Ford's point, to do it in a
15 way where we are collaborating and create a mechanism
16 where we are all talking about this together and we
17 are all taking the lead so that everyone on the front
18 end has a role to play and everyone understands what
19 the rules of engagement are going to be.

20 One concern I personally have is,
21 again, where someone creates a mandate but doesn't
22 include us in that discussion on the front end and

1 then all of a sudden we are put in a position where
2 we are very limited and whereby later on down the
3 road we realize well, gees, if only we had been
4 involved earlier on, we would have had a little bit
5 more latitude and flexibility to really address these
6 issues.

7 This place, the ICC, has the
8 expertise. We have the experts in place, the people
9 who understand energy, who understand energy policy,
10 ratemaking, how these systems work. I think it is
11 imperative that we be involved on the front end.
12 That being said, I think, again, reiterating
13 Commissioner Ford's point, we want to create a
14 mechanism where we include other stakeholders to also
15 take the lead along with us.

16 COMMISSIONER FORD: I want to see how --

17 COMMISSIONER O'CONNELL-DIAZ: Chairman, if I
18 might, you know, three years ago I was at, I don't
19 know, the Mark conference and the whole buzz was
20 about natural gas vehicles. So, you know, I think
21 that there are several different modalities of these
22 eco friendly cars, I will call them. So I think that

1 limiting this to just the electric vehicles versus
2 the natural gas vehicles or any other modality that
3 is going to be popping up may be a mistake.

4 And honestly, I mean, obviously there
5 are companies that are manufacturing these vehicles.
6 They should be in talking to us and making
7 presentations so that we have the information
8 foundation to know what's out there. And I just
9 don't have that at this point.

10 And, again, I go back to the Smart
11 Grid workshops and I believe that these issues are
12 somehow being covered there and are we stepping on
13 their terrain and that is a docketed proceeding. So
14 I don't know what the resolution gets us. I mean, I
15 think that maybe we start --

16 COMMISSIONER FORD: We will know April 6, won't
17 we, if it is out there? How much do these cars cost?

18 COMMISSIONER ELLIOTT: It depends. Some of
19 them are as low as 25,000 plus you get a \$7500 tax
20 credit. So these things are going to move; there is
21 no question in my mind.

22 And I think with regard to, you know,

1 the Chairman's points, you know, trying to -- there
2 are activities going on right now. There are actions
3 being taken in various levels at various arenas that
4 are going to have an effect. If we come into this
5 late in the game, we are going to be seen as, you
6 know, creating barriers, that all of a sudden we are
7 getting involved, etcetera, etcetera.

8 And I think you are right, your point
9 is well taken, that trying to bring these parties
10 altogether collectively to talk about these issues so
11 that we are not the last guy in the game with all of
12 a sudden all the regulatory problems and all the
13 certification and all the concerns that we normally
14 have are now suddenly in the forefront and of concern
15 to these parties.

16 CHAIRMAN FLORES: Commission Colgan?

17 COMMISSIONER COLGAN: Yeah, I think that we
18 are -- I think this is a good place to have a
19 discussion like this and maybe we need to have it
20 more on an ongoing basis. Because I think we are
21 really talking about fundamental perspectives of what
22 the Commission is and what our function is. I mean,

1 we are living in a changing world and so I think the
2 Commission, we are going to have to change along with
3 everybody else. And I have not been here long enough
4 to really have, you know, a full point of view on
5 this, but it seems like the mode that we operate in
6 is we wait for things to come to us. And that's
7 pretty much a judicial, quasi-judicial, mode that we
8 operate in.

9 It also seems like in this brave new
10 world we are heading into, we are going to have to
11 take some steps in terms of out there being involved
12 in what you might more accurately refer to as a
13 legislative mode, like having some upfront input.
14 Because we do have the expertise here. And I have
15 worked 20 years down the street and there are some
16 notable exceptions in terms of expertise, but in
17 these areas, you know, there is none. They don't go
18 very deep into this. So what you get are these
19 political ideas, these popular looks Green America
20 ideas that sell politically and it sounds great.

21 I was over there yesterday at the
22 Illinois Chambers Energy Meeting and, seriously, the

1 discussion was all about economic development and the
2 renewable portfolio standards and there was not one
3 -- well, other than a woman from Exelon made a
4 comment about we need to consider the customers, you
5 know, the costs and do they really want this stuff
6 because it is going to cost money.

7 So I think, you know, that we have
8 some role here. And I am not clear on exactly what
9 that role is, but I think we should at least have
10 staff at some point involved in these discussions so
11 that, you know, because they might have to come back
12 and redo the whole plan. Because nobody knows --
13 these discussions that are happening in Chicago, it's
14 like they don't even know the Commerce Commission
15 exists.

16 COMMISSIONER ELLIOTT: Right.

17 COMMISSIONER COLGAN: It is like, oh, we can do
18 just do this, you know.

19 MR. ANDERSON: And we got involved in that
20 because we were told about it by ComEd and we are
21 still trying to kind of -- we have contacted them.
22 We have asked to be involved. Kind of the feedback

1 we got is, well, we are kind of on a break. We are
2 writing a first phase report and then we are going to
3 go into phase two. So we are trying to catch up. We
4 are trying to catch up into phase two.

5 But, you know, if they are talking
6 about parking lots and plug-ins in parking lots, they
7 are obviously not thinking about the regulatory
8 aspect of that.

9 COMMISSIONER ELLIOTT: Exactly.

10 CHAIRMAN FLORES: And that hasn't been the
11 practice, frankly.

12 COMMISSIONER COLGAN: In today's lobby it would
13 be a throwaway.

14 MR. ANDERSON: Because that sounds very
15 convenient.

16 COMMISSIONER ELLIOTT: And the other thing to
17 the point, I know ComEd has got \$5 million in ERA
18 funding for this project that they are working with
19 the city. So they are spending money. They are
20 moving forward with this and they are putting real
21 money into it.

22 And, again, if we are not involved in

1 driving these people into a process that somehow is
2 here at the Commission, then whatever gets developed,
3 if we have to turn around somehow and dismantle it
4 because of regulatory concerns or delay it, again,
5 because we weren't involved in the process --

6 COMMISSIONER FORD: But if ComEd is involved,
7 then they know about the ICC. Come on now.

8 MR. ANDERSON: Which is why they --

9 COMMISSIONER FORD: They have lawyers there
10 with them. Well, then they should have started their
11 legislative piece. And they have lobbyists and they
12 have money. He just said they have \$5 million. So
13 who heads the Energy Department for the Senate and
14 the State House of Representatives? Who is the
15 Energy chair in the House?

16 MR. ANDERSON: In the House is -- I think the
17 public utilities is what they have been using this
18 year. I think it is Annazette Collins.

19 COMMISSIONER FORD: I know Annazette very well.
20 Who is in the Senate?

21 MR. ANDERSON: Mike Jacobs.

22 COMMISSIONER FORD: I don't know him, but I

1 certainly know Annazette. And I think ComEd and the
2 city needs to have a conversation, and I certainly
3 want to look back at those plug-in hybrid vehicles to
4 see exactly what California, since they have one in
5 five, I would like for us to go out there and look at
6 that. Look at their stations to see how they, step
7 by step, how they did it.

8 COMMISSIONER ELLIOTT: They are working on that
9 right now.

10 COMMISSIONER COLGAN: I think the regulated
11 utility is going to want to have that charging
12 station be their charging station.

13 COMMISSIONER FORD: Of course.

14 COMMISSIONER COLGAN: I am sure there are other
15 people who would like to have a piece of that.

16 COMMISSIONER FORD: You said the right word
17 when you said entrepreneur. Everybody that's running
18 now wants to buy those places to make money.

19 COMMISSIONER O'CONNELL-DIAZ: To bring in a
20 telecom analogy, it is going to be like a pay phone
21 that we never can find any more. But that's kind of
22 what I am seeing that could be -- and then you are

1 going to have the same type of certification
2 processes that accompanied those pay phones and were
3 the big rage in the '90s.

4 And I totally agree with what
5 Commissioner Colgan so succinctly stated. You know,
6 the political poppycock, as opposed to the real nuts
7 and bolts, and the bottom line is somebody is going
8 to pay for this and it is going to be the ratepayers
9 that we have to shove those costs on to. And I don't
10 know how that is even factored into all of this, you
11 know, renewable green, green, green, green, green.
12 Well, green is the cost of money and it is going to
13 cost a lot of money to do all of this.

14 And I am certainly -- you know, I
15 think it is great for us to be environmentally
16 conscious and sound and do all these things, but, you
17 know, we heard this morning from three different
18 representatives that told us to just say no, no
19 matter what a rate increase was. And these are going
20 to be rate increases. There are going to be tariff
21 changes. There is going to be all of these things.

22 But, again, I go back to the

1 informational piece, that I don't really think we
2 have this informational piece. And if ComEd is there
3 and Ameren is there, then obviously I think there is
4 an obligation for them to come in and talk to us
5 about what's going on in these meetings that are
6 going on with regard to the City of Chicago.

7 And, you know, the City of Chicago, no
8 offense, they want it their way or the highway. And
9 they are very closed about how they do things. And
10 they care nothing about the regional impact of what
11 they do and how others are going to pay. And I say
12 that as a former Chicago resident and a McHenry
13 County resident.

14 So, you know, these are things as
15 regulators -- that's why it is great that we come
16 from all different parts because we kind of look at
17 it a little differently. But I think we need to
18 learn more about it before we start sticking our head
19 in a place that it may not be appropriate for us to
20 be doing it, when we don't have the base knowledge
21 for it.

22 CHAIRMAN FLORES: Let me just say for the sake

1 of time because I know that Commissioner Elliott has
2 got to get going, that's why I wanted to bring this
3 up in this administrative meeting so that we would
4 have the ability to have this discussion and to
5 really formulate it in a way that made sense.

6 Again, I just want to reiterate that
7 it is critical, given what the ICC's knowledge of the
8 importance of making sure that policies, whatever
9 policies are made, that they be in line with all of
10 the areas and the factors that we have to regulate,
11 all right. I think a good point has been made with
12 regards to protecting that consumer interest and
13 recognizing that a variety of policies, while they
14 may seem politically good and expedient, that we have
15 to be mindful of what the expenses are going to be,
16 that we enter into these policies with our eyes wide
17 open.

18 But, frankly, the ICC is in the best
19 position to inform and instruct these parties. And
20 that's why, again, I think it is good for us to have
21 these discussions and to think about the vehicle by
22 which we can provide for that instruction, to avoid

1 the issues that Commissioner O'Connell-Diaz just
2 referenced and also Commissioner Colgan, Ford and
3 Elliott.

4 Let me make this recommendation.
5 Commissioner Elliott indicated that he had some
6 literature on this issue. If anyone else has any
7 other literature on this issue, I ask that the
8 parties make that available to all of the assistants
9 so that everyone has an opportunity. I believe that
10 with regards to a resolution, Commissioner
11 O'Connell-Diaz, I think it could be along the lines
12 of frankly instructing parties that we regulate that
13 if you are having these discussions, to come before
14 the ICC to give us a report.

15 COMMISSIONER O'CONNELL-DIAZ: You know what,
16 Chairman.

17 CHAIRMAN FLORES: I am not done.

18 COMMISSIONER O'CONNELL-DIAZ: We don't need a
19 resolution for that.

20 CHAIRMAN FLORES: I am not done. Can I just
21 finish my remarks, with all due respect? It is a
22 recommendation. I am not suggesting that that's the

1 vehicle we choose. It is a recommendation of a
2 possible vehicle. So I think it starts, though, from
3 the perspective of making sure that everyone has the
4 information and so that people can review this
5 material so that we can decide collectively what is
6 the appropriate next steps.

7 That being said, I would just like to
8 remind everyone again, though, that timing is
9 important. Given that people are already meeting,
10 given that the industry has already indicated that
11 they are going to be marketing these vehicles, given
12 that our own President of the United States has
13 indicated, has demonstrated, a real strong interest
14 in this, and given that you have also had discussions
15 even among the FERC commissioners about this
16 material, we in Illinois have to be prepared as the
17 chief regulatory commission of the utilities.

18 So let me just say in wrapping up here
19 that if, Commissioner Elliott, if you can distribute
20 the materials you have...

21 COMMISSIONER ELLIOTT: Certainly.

22 CHAIRMAN FLORES: ...let's plan on having

1 another administrative meeting in the next bench
2 session that we have to then discuss this issue. I
3 am hoping that at that point we can agree to some
4 concrete next steps or measures, given the
5 information that we will have.

6 COMMISSIONER FORD: One other point, I would
7 like to look at best practices. See, we don't need
8 to try to always reinvent the wheel. If California
9 takes the lead, I want to know what they did, Tim, if
10 you are going to find somebody to this. That's the
11 way I would like at it.

12 COMMISSIONER ELLIOTT: I think they are in the
13 middle of looking at the same things that we are
14 talking about.

15 COMMISSIONER FORD: But they seem to be farther
16 ahead, if they are one in five. Somebody has to be.

17 COMMISSIONER ELLIOTT: That's what I am saying.
18 They are buying these cars without a plan. They are
19 putting them in their garages and plugging them in.

20 COMMISSIONER COLGAN: I think it's good to look
21 at that, though.

22 COMMISSIONER ELLIOTT: I mean, that's what's

1 being done in California.

2 COMMISSIONER O'CONNELL-DIAZ: But I have a
3 question. I don't believe on our staff we have
4 anybody that is an expert on plug-in hybrid vehicles
5 of any sort. Are there any stimulus moneys that are
6 available that we could in fact get somebody that is
7 an expert in that field?

8 And I am not slicing our staff or
9 anything, but we all are assuming that we have
10 someone that is an expert in this area. And forgive
11 me, but we are running low on the amount of employees
12 that we have. We have 8,000 rate cases; people are
13 working around the clock. And so, you know, we just
14 need to be mindful of this. And I don't know whether
15 we have anybody that is there that does that, and
16 maybe some of these stimulus moneys could be utilized
17 for that purpose.

18 MR. ANDERSON: I think we have utilized the
19 stimulus money and there are some people getting
20 ready to come on board. In the energy area these are
21 young people. That's the way we did it. But I think
22 they are --

1 COMMISSIONER FORD: Saying something about us
2 olders?

3 MR. ANDERSON: But we can submerge them in this
4 kind of thing. Mary has a person who is getting
5 ready to start in that area, too, could assist from
6 some of the legal aspects. So we can get on that
7 from that perspective. That's what we have these
8 folks here to do, is some of these new emerging
9 areas. So we can get right on that.

10 COMMISSIONER O'CONNELL-DIAZ: Good.

11 COMMISSIONER FORD: The last question for
12 Sherman. Who is paying the bills when the people
13 plug in, Sherman? I guess that's my --

14 COMMISSIONER ELLIOTT: That's the problem.
15 What you have got is a car with a battery and a plug.
16 You go home and you plug it in. The issue is, is
17 this good policy, and the answer is no. What you
18 want to do is have these things charge off-peak.
19 Well, how do you do that? What's the mechanism that
20 you accomplish that with?

21 COMMISSIONER COLGAN: People will be burning
22 their house down because they are trying to get

1 something out of the plug in the wall that it is not
2 designed to provide.

3 COMMISSIONER ELLIOTT: Exactly. And the cars,
4 they are not charging the way they are being told.
5 So what's happening is the experience is turning out
6 bad for the consumer, bad for the automobile
7 manufacturer. It is bad for the utility because they
8 have got distribution system problems related to the
9 clustering of these things. And now they are all
10 finding out that we need to come together to solve
11 these problems and here are the problems, and that's
12 what California is in the middle of doing.

13 And looking at the scoping memo, the
14 scoping memo that Michael Peavey wrote, about the
15 investigation that they are dealing in, it is exactly
16 the same things we have been talking about here.
17 What's the short term solution to deal with the guy
18 that comes home with the car? What's the long term
19 solution when it comes to the Smart Grid? And that's
20 the sort of think that we are dealing with in the
21 collaborative.

22 COMMISSIONER FORD: What was their regulatory

1 controls before? They had none? They had no
2 regulatory controls before this happened?

3 COMMISSIONER ELLIOTT: No. I mean, you don't
4 have to go to -- when you buy a car, there is no
5 connection between that and the utility or the
6 regulatory community. You just buy a car with a
7 plug.

8 COMMISSIONER COLGAN: Well, that's a missing
9 step then.

10 COMMISSIONER FORD: The missing step is that
11 the consumer evidently didn't know that they were
12 going to pay more to plug that car in.

13 COMMISSIONER COLGAN: Deceptive practices.

14 COMMISSIONER FORD: Absolutely.

15 COMMISSIONER O'CONNELL-DIAZ: Well, here is
16 another thing, and this really does go to the
17 legislative impact of this. If this is the fact that
18 there is no plan, there is no -- there does need -- I
19 mean, the entities selling the cars are licensed by
20 the state. There has to be a connectivity between
21 that and how the new gas for the car is going to come
22 into that car. And that really is a legislative

1 function.

2 If the law is changed to the effect
3 that the car manufacturers as well as the car dealers
4 are going to have to, you know, fit that piece of the
5 puzzle in, that's the front end part. And, you know,
6 that is a legislative function because the Commission
7 can't be telling them what to do, they can't tell the
8 City of Chicago what to do.

9 MR. ANDERSON: Well, at a minimum that involves
10 the Secretary of State.

11 COMMISSIONER ELLIOTT: Right. There are many
12 issues here, the motor vehicle tax not being done on
13 gasoline, if these things take off, who knows. I am
14 agnostic with regard to whether they are ever going
15 to go.

16 My issue is what do we do in the short
17 term for somebody that comes home with a car in
18 November of this year with a plug. Because there is
19 no relationship.

20 COMMISSIONER O'CONNELL-DIAZ: How many cars are
21 coming to Illinois in November of this year?

22 COMMISSIONER ELLIOTT: Well, if there is no

1 infrastructure to do this, they probably won't market
2 in Illinois. That's the other issue. I mean, they
3 will bypass those communities that aren't able.
4 That's why the two-year program in Indianapolis was
5 so interesting because they weren't going to market
6 in Indianapolis because the city wasn't ready. But
7 with what they have done over the last two years, now
8 the automobile manufacturers are looking at that
9 community as coming in and doing business.

10 COMMISSIONER O'CONNELL-DIAZ: Then let's look
11 at what they did. That sounds like they are a
12 Midwestern city. Let's see what they did.

13 COMMISSIONER ELLIOTT: Yeah, there is no
14 question that we can certainly take whatever best
15 practices they have accomplished.

16 COMMISSIONER COLGAN: So have the staff that's
17 going to take a full scope look at it, and I support
18 your idea that we circulate the memo that you are
19 talking about and continue this discussion.

20 COMMISSIONER FORD: Absolutely continue it.

21 COMMISSIONER ELLIOTT: But I just feel a sense
22 of urgency here, even if it is one car. And I know

1 somebody is going to buy the darn thing, you know.

2 CHAIRMAN FLORES: Let's get you out of here,
3 Sherman.

4 COMMISSIONER COLGAN: They will go California
5 and buy the car and drive it here.

6 CHAIRMAN FLORES: Again, let's just agree,
7 though, that we are going to be exchanging
8 information regarding these initiatives and let's
9 plan on addressing this issue the next admin meeting
10 which will be scheduled for the next bench that we
11 have scheduled, with the intent of having a more
12 formalized idea of how we want to move forward on
13 this issue, okay.

14 COMMISSIONER O'CONNELL-DIAZ: Well, I just want
15 to say something about our admin meetings. You know,
16 obviously we bring these issues up at the admin
17 meetings, but I would encourage everybody to talk
18 amongst ourselves outside the admin meetings and
19 encourage that type of discussion, that we are not
20 violating any kind of rulings of the Commission, but
21 certainly we really do need to dialogue among
22 ourselves and not just at the admin meetings. And I

1 think that we could be doubly productive because of
2 that.

3 So I would encourage everyone to, you
4 know, when we have these issues that come up, let's
5 talk about them in between time and we will get
6 double the fun out of it.

7 COMMISSIONER ELLIOTT: Absolutely.

8 MS. STEPHENSON-SCHROEDER: I would only concur
9 on that point. Can I just say, I think Commissioner
10 O'Connell-Diaz hits on a very important point. Admin
11 meetings are supposed to be for personnel and
12 scheduling matters, so it is really limited what you
13 can go into discussions on. We have had this
14 problems in the past and sometimes you stray off
15 that. You can stray a little and talk about ideas
16 for proposing and scheduling for proposing things,
17 but you are really supposed to stick to personnel and
18 scheduling matters.

19 COMMISSIONER O'CONNELL-DIAZ: So really, these
20 issues, we can really do these among ourselves and I
21 think we can be very -- what is the word I want --
22 productive in talking about these all during the

1 weeks and I don't think we really need to be just
2 only isolating these for admin meetings. And based
3 on what Mary just said, which I didn't really think
4 about, it is probably not appropriate for them to be
5 at the admin meetings. So I think we really should
6 start talking among ourselves without violating any
7 rules and figure out a game plan for this, and we
8 don't need to have it at the admin meetings. We can
9 really start working on what we want to be doing with
10 this and come to some good, well-constructed
11 programs.

12 CHAIRMAN FLORES: I just agree with that and,
13 Mary, I appreciate just the reminders in terms of the
14 admin meetings. I also, though, share the views that
15 Commissioner Colgan expressed that these admin
16 meetings are, I think, a good idea in addition to
17 what Commissioner O'Connell-Diaz indicated, just so
18 that we stay on track in terms of scheduling. I know
19 we have so much work on our docket and, you know,
20 what we are doing individually, but I think these are
21 good meetings just to keep moving forward.

22 So that being said, I just want to

1 thank all of you and also Commissioner Elliott. We
2 wish you a safe travel to wherever you are going.

3 COMMISSIONER ELLIOTT: Yeah, I am going to go
4 talk about transmission planning. I am excited.

5 COMMISSIONER FORD: Well, you better have
6 control of citing. Lock it down, lock it down.

7 CHAIRMAN FLORES: Judges Wallace?

8 COMMISSIONER FORD: The southern states would
9 never go with it, if it wasn't states' rights.

10 CHAIRMAN FLORES: Judge Wallace, do you want to
11 talk about the scheduling of the procurement
12 meetings?

13 JUDGE WALLACE: Well, the initial thing is
14 Richard says we need a meeting March 30 or 31 for the
15 Ameren capacity benchmark methodology.

16 COMMISSIONER FORD: The 31st is not good for me
17 unless it is in Chicago because I have a meeting.

18 MR. ANDERSON: It would be a special meeting.

19 JUDGE WALLACE: Well, it will be a special open
20 meeting and it can be anywhere and it can be video
21 conference.

22 COMMISSIONER O'CONNELL-DIAZ: The 31st in

1 Chicago is fine for me. Is that okay, Commission
2 Ford?

3 COMMISSIONER FORD: That's fine. It would have
4 to be because I have a meeting right after that.

5 JUDGE WALLACE: And Commissioner Elliott got
6 out of here, so I don't know if that's good.

7 CHAIRMAN FLORES: What was the date again on
8 that?

9 COMMISSIONER COLGAN: March 31.

10 JUDGE WALLACE: March 31, whatever time.

11 CHAIRMAN FLORES: I will not be here. I will
12 be out of the country, so.

13 JUDGE WALLACE: You are available?

14 COMMISSIONER COLGAN: I am available.

15 JUDGE WALLACE: Well, we just need to check
16 with Commissioner Elliott to see if he is available.
17 Whatever time you want to do it is fine. We have
18 until Friday to put out notice.

19 COMMISSIONER O'CONNELL-DIAZ: Commissioner
20 Ford, what time is your commitment?

21 COMMISSIONER FORD: It is not until 4:00.

22 COMMISSIONER O'CONNELL-DIAZ: So how about is

1 10:30 good for everyone or do we want to do it in the
2 afternoon? What's everyone's pleasure? Commissioner
3 Colgan?

4 COMMISSIONER COLGAN: I am good.

5 COMMISSIONER O'CONNELL-DIAZ: I know you are
6 good. I was asking for a time.

7 COMMISSIONER COLGAN: That day looks good.

8 10:30 is fine with me.

9 MR. ANDERSON: And just for background, these
10 things, we don't have anything else like this. I
11 mean, the procurement administrators in the IPA kind
12 of decide how these things are going to run and then
13 we end up throwing out -- they are always special
14 meetings. We try to work them in with existing
15 scheduled meetings but a lot of times we have to,
16 because it is a one-day turnaround, say we need a
17 meeting this day or this day. We really have nothing
18 else like this. It is not ideal, but it is the way
19 the law sets approving these things up.

20 COMMISSIONER O'CONNELL-DIAZ: So we don't have
21 any choice. We have to meet by those deadlines.

22 MR. ANDERSON: Right, and especially if the

1 capacity -- the benchmarks end up driving everything
2 else. So we have a little bit more forward notice on
3 what the actual RFP approval things are, but the
4 benchmarks kind of end up -- they don't even have
5 most of the rest of them scheduled yet.

6 COMMISSIONER O'CONNELL-DIAZ: Well, we have a
7 quorum even without Commissioner Elliott, so I think
8 we are okay.

9 MR. ANDERSON: No, I don't think we do.

10 COMMISSIONER O'CONNELL-DIAZ: We have got
11 three?

12 MR. ANDERSON: I think we need four.

13 JUDGE WALLACE: We need Commissioner Elliott.

14 COMMISSIONER O'CONNELL-DIAZ: We have three?

15 JUDGE WALLACE: No, our quorum is four.

16 MR. ANDERSON: When you are at a full five, you
17 have to have --

18 COMMISSIONER O'CONNELL-DIAZ: I am sorry. I
19 got so used to the other way.

20 COMMISSIONER FORD: We can have Alicia e-mail
21 him and find out.

22 JUDGE WALLACE: He will be back.

1 COMMISSIONER FORD: Yeah, he will be back. He
2 will be back in time.

3 COMMISSIONER O'CONNELL-DIAZ: He can always
4 call in.

5 JUDGE WALLACE: No, he can't call in, either.

6 MS. STEPHENSON-SCHROEDER: Yes, he can.

7 JUDGE WALLACE: No, he can't. The quorum has
8 to be either physically present or video.

9 MS. STEPHENSON-SCHROEDER: I thought if they
10 are altogether, then one still can call in.

11 MR. ANDERSON: The fifth could call in.

12 JUDGE WALLACE: The fifth person can call in,
13 not with four.

14 MR. ANDERSON: You need the quorum in place.

15 MS. STEPHENSON-SCHROEDER: I am sorry. I am
16 sorry. I thought Chairman -- I didn't hear Chairman
17 Flores wasn't going to be here. I'm sorry.

18 JUDGE WALLACE: And then the next meeting is,
19 according to Richard, is it looks hopefully it could
20 be taken care of April 6 or 7, and it all depends on
21 whether you want to take one day to vote or two days
22 to vote.

1 COMMISSIONER FORD: April 7 I will be gone to
2 Charleston, West Virginia, for my OPSI board.

3 COMMISSIONER O'CONNELL-DIAZ: And we have the
4 meeting on the 6th, so let's get that done on the
5 6th. We will be here.

6 JUDGE WALLACE: Again, it depends if they get
7 the report in.

8 COMMISSIONER O'CONNELL-DIAZ: Encourage them to
9 work quickly on it.

10 COMMISSIONER FORD: Because we leave right
11 after the April 6 meeting.

12 JUDGE WALLACE: But there should be four here
13 to vote on the 7th, right?

14 CHAIRMAN FLORES: Yeah.

15 JUDGE WALLACE: And it gets goofier when ComEd
16 starts rolling in, too.

17 MR. ANDERSON: It gets goofy. And they wanted
18 to go to one day. Aren't we at one day now?

19 JUDGE WALLACE: Well, March 31 is two days but
20 the April 6, 7, 8, if we go -- if it comes in April 6
21 like Richard suggests and we vote on it April 7, it's
22 the one day. If you want to go to two days, you

1 would have to have a special open meeting on the 8th.

2 MR. ANDERSON: So what do we need to ask

3 Commissioner Elliott? It is May or, I am sorry,

4 March?

5 JUDGE WALLACE: March 31, 10:30 a.m.

6 MR. ANDERSON: March 31, 10:30.

7 JUDGE WALLACE: And I guess just for purposes

8 of setting it, we will have it set in Chicago.

9 COMMISSIONER COLGAN: But we can do it by

10 video?

11 JUDGE WALLACE: We can set it for Springfield.

12 It is flipping the coin on that issue. Those are the

13 only two dates Richard has given us so far. So there

14 will be others that RFPs will come in and more

15 benchmarks from ComEd.

16 Okay. Thank you.

17 CHAIRMAN FLORES: All right. Any other

18 matters? Very well, that concludes our

19 administrative meeting.

20 MEETING CONCLUDED

21

22